

medical expenses, (3) are required to withdraw Deferred Savings for payment to an alternate payee under a "Qualified Domestic Relations Order," (4) die or become disabled, (5) initiate a "direct rollover" to an IRA or another qualified plan, (6) initiate a tax-free rollover to an IRA or another qualified plan (as discussed above), (7) comply with a federal tax levy, or (8) terminate employment with Delphi and receive a series of substantially equal periodic payments, at least annually, made for your life and such payments continue for five years or until you attain age 59½, whichever is later.

#### ***Distributions Upon Retirement or Other Termination of Employment With Delphi***

If you are over age 59½ and during one taxable year all the assets in your account are distributed to you upon retirement, Total and Permanent Disability, separation from service, or to your beneficiary upon your death, the taxable income realized on the lump-sum distribution is equal to the value of the lump-sum distribution less your tax basis in the Plan.

A special rule will apply to a lump-sum distribution paid to you if you were at least age 50 on or before January 1, 1986. Under the special rule, you may make a one-time election at any age to have the lump-sum distribution taxed under the ten-year income averaging provisions of the law in effect before 1987 using 1986 tax rates.

If you receive a withdrawal or distribution, you can accomplish a tax-free rollover into a traditional IRA or another eligible retirement plan, or elect a direct rollover to a traditional IRA or another eligible retirement plan, and thereby postpone receipt of taxable income until distributions are received from the IRA or the other plan. An "eligible retirement plan" includes a plan qualified under Section 401(a) of the Code, including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a Section 403(a) annuity plan; a Section 403(b) tax sheltered annuity; and an eligible Section 457(b) plan maintained by a governmental employer. A tax-free rollover must be made normally within 60 days after you receive the distribution. Both the taxable and nontaxable (after-tax contributions) of a distribution may be rolled over. Any taxable amount rolled over into a traditional IRA is taxable as ordinary income when payment is subsequently made under the IRA.

The tax-free rollover must be completed within 60 days after receipt of the distribution. If you roll over less than the total taxable amount of your distribution, the remaining taxable amount is considered ordinary income. If you are interested in a tax-free rollover or a "direct rollover" you should plan in advance with your investment, tax, or legal advisors. If you are considering a tax-free rollover or a "direct rollover" you should refer to the section entitled "Rules on Income Tax Withholding and Direct Rollovers" for important information related to the 20% federal income tax withholding rules and the "direct rollover" rules.

#### ***Rules on Income Tax Withholding and Direct Rollovers***

Federal income tax will be withheld at a mandatory rate of 20% on the taxable amount of withdrawals and distributions that are eligible to be, but are not, directly rolled over at your direction to a traditional IRA or another eligible retirement plan.

A withdrawal of Deferred Savings for a Financial Hardship is not eligible to be rolled over to a traditional IRA or another eligible retirement plan. As a result, such withdrawals will not be subject to the mandatory 20% withholding.

Current rollover rules permit a "direct rollover" which allows for the taxable and nontaxable amounts of withdrawals and distributions to be rolled over directly into a traditional IRA or another eligible retirement plan except (a) required minimum annual distributions after age 70½, (b) substantially equal installment payments that are payable for ten or more years, and (c) a hardship withdrawal. You can make an irrevocable election to have all or any taxable or nontaxable portion of a withdrawal or distribution from the Plan paid in a direct rollover to a traditional IRA or another eligible retirement plan. Any such withdrawal or distribution that is paid directly to a traditional IRA, or another eligible retirement plan in a direct rollover, is exempt from the 20% federal income tax withholding requirement.

#### ***Dividends***

If you elect to receive cash dividend payments from the Plan, such dividends will be taxable income to you when received. However, under current tax law, the cash dividend payments are not subject to the 10% additional early distribution tax that is usually imposed on certain withdrawals or distributions made from the Plan before you reach age 59½. Cash dividends cannot be rolled over to an IRA or another eligible retirement plan.

#### ***Miscellaneous***

If you realize taxable income as a result of a withdrawal or distribution from the Plan, or from the sale of stock received from the Plan, you are responsible for filing the appropriate income tax returns and declarations of estimated tax and for payment of taxes as required by law. You can find more specific information on the tax treatment of payments from a qualified employer plan in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's website at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

For state and local income tax purposes, the tax treatment of the Plan may differ from the federal tax treatment described above. Accordingly, the federal tax benefits may not apply for state and local tax purposes. You should consult your tax advisor regarding this matter.

**SOURCE OF THE DELPHI COMMON STOCK  
ACQUIRED FOR THE PLAN**

The Delphi Common Stock acquired by State Street Bank and Trust Company, as commingled fund manager, may be obtained by purchases on the open market or obtained from Delphi by subscription or purchase. Participant contributions, loan repayments, exchanges, and rollover contributions are used to purchase units of the Delphi Common Stock Fund and are based on the unit value determined by State Street Bank and Trust Company, as commingled fund manager, at the close of business on the day the transaction is reconciled.

**EMPLOYEE RETIREMENT INCOME SECURITY  
ACT OF 1974, AS AMENDED**

The Plan is subject to certain parts of The Employee Retirement Income Security Act of 1974, as amended (ERISA). In addition, the Plan is subject to various provisions of the Code.

**VOTING OR TENDERING OF THE DELPHI COMMON  
STOCK, GENERAL MOTORS \$1-2/3 PAR VALUE  
COMMON STOCK, HUGHES COMMON STOCK,  
EDS COMMON STOCK, AND RAYTHEON COMPANY  
COMMON STOCK**

To the extent it is consistent with ERISA and the Code, State Street Bank and Trust Company, as commingled fund manager, will vote or tender shares equivalent to the current value of the assets invested in the Delphi Common Stock Fund, General Motors \$1-2/3 Par Value Common Stock Fund, Hughes Common Stock Fund, the EDS Common Stock Fund, and Raytheon Company Common Stock Fund, in accordance with your directions. Before each respective stockholder meeting, you will be contacted by mail and asked for directions on how to vote shares equivalent to the current value of your investment in such stocks. You may specify your direction by telephone, or through the Internet or by completing and returning the proxy/voting instruction card that is provided to you by mail. To the extent that it is consistent with ERISA and the Code, shares held by State Street Bank and Trust Company, as commingled fund manager, for which directions are not received will not be voted.

In the event of any tender offer, if you have assets in the Plan invested in the Delphi Common Stock Fund, General Motors \$1-2/3 Par Value Common Stock Fund, Hughes Common Stock Fund, EDS Common Stock Fund, and Raytheon Company Common Stock Fund you may tender the equivalent current value of these assets in your account by providing appropriate directions in the manner prescribed by the relevant corporation, as applicable, at the time of such tender.

State Street Bank and Trust Company does not inform any organization of your voting or tendering decisions.

**SPECIAL PROVISIONS REGARDING VETERANS**

If you are rehired following qualified military service (as defined in the Uniformed Services Employment and Re-Employment Rights Act), you will be entitled to have Delphi make contributions to the Plan from your current earnings that are attributable to the period of time contributions were not otherwise allowable due to military service. These contributions are in addition to contributions otherwise permitted under the Plan, and shall be made as permitted under the Code. Any additional contributions will be based on the amount of eligible earnings and Profit Sharing Amounts that you would have received from Delphi during the applicable period of military service. Such contributions must be made during the period that begins upon re-employment and extends for the lesser of five years or your period of military service multiplied by three.

If you have an outstanding loan(s) during a period of qualified military service, loan payments may be suspended during this period, and the time for repayment of your loan(s) may be extended for a period of time equal to the period of your qualified military service.

**MISCELLANEOUS**

***Claim Denial Procedure***

When proceeding through the claim denial procedures, you may be represented by an individual whom Delphi determines to be properly authorized to act on your behalf. As part of your appeal, you should present all documents, records, and any other information relating to your claim.

Delphi will provide notice, in writing, to you or your beneficiary if your claim for benefits under the Plan has been denied, setting forth the specific reason for the denial. You or your beneficiary will be given 60 days from the date of the notice denying such claim to request a full and fair review by Delphi or its delegate. The decision of Delphi or its delegate is final and binding.

You must complete the claim denial procedures before taking legal action, including your right to bring a civil action under Section 502(a) of ERISA.

***Designation of Beneficiaries***

You must file with the Investment Service Center a written designation of beneficiary or beneficiaries with respect to all or part of your assets in the Plan. Upon your death the entire balance of the account is paid to your surviving spouse unless the written designation of beneficiary, designating a person(s) other than your spouse includes the written consent of your spouse, witnessed by a notary public. The written designation of beneficiary filed with the Investment Service Center may be changed or revoked at any time by you and, if necessary, your spouse. No designation or change of beneficiary will be effective until it is determined to be in order by the Investment Service Center, but when so determined, if practicable, it will be effective retroactively to the date of the instrument making

the designation or change. Delphi will continue to recognize designation of beneficiary forms currently on file.

If you are not married and do not file a written designation of beneficiaries you shall be deemed to have designated as beneficiary or beneficiaries under this Plan the person(s) designated to receive the proceeds of your life insurance under the Delphi Life and Disability Benefits Program for Hourly Employees, unless you have assigned such life insurance, in which case the assets in the account shall be paid to the assignee. Upon your death, your beneficiary or beneficiaries receives, subject to provisions of the Plan, assets in your account in accordance with the applicable designation. If Delphi is in doubt as to the right of any beneficiary to receive any such assets, Delphi may deliver such assets to your estate, in which case Delphi shall not have any further liability to anyone.

Upon your death and upon receipt of all information necessary to determine the beneficiary or beneficiaries, a settlement of all assets in your account shall be made to the designated beneficiary or beneficiaries. The beneficiary or beneficiaries may elect to receive cash-in-lieu of all shares equivalent in value to the assets invested in any of the stock funds in your account, based on the Current Market Value of such funds on the Date of Valuation. The Date of Valuation is the Effective Date of Withdrawal. For this purpose, the Effective Date of Withdrawal means the day on which the Administrator, or its delegate, determines the appropriate beneficiary or beneficiaries and is in receipt of all necessary information and directions to process the settlement.

Additionally, your spousal beneficiary may elect to keep your account assets in the Plan after your death. Your surviving spouse may elect subsequently to receive the assets in a lump sum at any time. While the assets remain in the Plan your surviving spouse may (1) exchange assets among the various investment options offered under the Plan (see "Fund Exchanges" for a description of the rules), (2) elect partial distributions, (3) elect to receive installment payments, (4) file with the Investment Service Center a written designation of a beneficiary or beneficiaries, on a form provided by the Investment Service Center and (5) initiate a loan from the Plan. Your surviving spouse may not make any new contribution to the Plan.

#### ***Liens Upon and Assignability of Interest***

Except for benefits payable pursuant to a Qualified Domestic Relations Order or your voluntary assignment of an amount not in excess of 10% of a distribution from the Plan, any benefits payable under the Plan may not be assigned or transferred and, to the extent permitted by law, no such benefits are subject to legal process or attachment for the payment of any claim of any person entitled to receive the same.

#### ***Statement of Account***

You may access your PSP account statement and quarterly Performance Summary online, 24 hours a day through the Internet ([www.delphi401k.com](http://www.delphi401k.com)). The online statement offers all the same information as the hardcopy statement, including your personal rate of return. Additionally, the online statement adds more flexibility; your account information can be retrieved monthly, quarterly, or for a specific date range. Additionally, the date range can be set up to go back as far as 24 months.

If you choose to view your statement online, you will automatically no longer receive a hardcopy quarterly statement or quarterly Performance Summary in the mail. After reviewing your statement online, if you wish to receive your hard copy quarterly statement and quarterly performance summary in the mail you may elect to do so online at [www.delphi401k.com](http://www.delphi401k.com) or by calling the Investment Service Center at 1-877-389-2374.

#### ***Changes to the Delphi Common Stock, General Motors \$1-2/3 Par Value Common Stock, Hughes Common Stock, News Corp. Preferred ADSs, EDS Common Stock, or Raytheon Company Common Stock***

In the event that outstanding shares of the Delphi common stock, General Motors \$1-2/3 Par Value common stock, Hughes common stock, News Corp Preferred ADSs, EDS common stock, or the Raytheon common stock are changed in number or class by reason of split-ups, spinoffs, combinations, mergers, consolidations, or recapitalizations, or by reason of stock dividends, the number and class of shares which thereafter may be purchased as permissible under the Plan, in the aggregate and the number and class of shares then in the trust account and in your account, shall be adjusted so as to reflect such change.

#### ***Confidential Information***

Many aspects of recordkeeping and transaction processing related to the Plan are performed in their entirety by the Investment Service Center. Currently, Fidelity provides the services for the Investment Service Center, and such services are monitored by Delphi so that sufficient procedures are in place to safeguard the confidentiality of your information relating to the purchase, holding, and sale of securities by you and your beneficiaries.

Under existing procedures, you must establish through the Investment Service Center a confidential identification number which is personal to you (Personal Identification Number or "PIN"). This confidential PIN limits access to your Personal Savings Plan account to only you. At any time, you may change your PIN. Moreover, you may only access your account information and initiate transactions by telephone, or through the Internet, using your PIN and Social Security number. In addition, procedures have been established to deactivate your PIN after three consecutive



attempts are made to access your account via the Investment Service Center voice response system or the Internet without a valid PIN. **YOU SHOULD NOT GIVE ANYONE YOUR PIN. NEITHER DELPHI, GMTB, GMIMCo, THE PLAN ADMINISTRATOR, THE PLAN RECORDKEEPER, NOR THE PLAN WILL BE RESPONSIBLE FOR THE SECURITY OF YOUR ACCOUNT IF YOU DISCLOSE YOUR PIN TO ANYONE ELSE.**

The Plan fiduciary responsible for monitoring compliance with the confidentiality procedures is the Director, Delphi Pension and Welfare Benefit Plans, Employee Benefits, Mail Code 480-410-104, 5825 Delphi Drive, Troy, Michigan 48098.

#### **Additional Information**

If you require additional information about the Plan, or would like to obtain information regarding the annual operating expenses of investment alternatives, copies of this Prospectus, copies of Mutual Fund prospectuses, financial statements, reports relating to investment alternatives which are provided to the Plan, a list of the assets comprising the portfolio of each designated investment alternative, the value of each such asset, and, with respect to each fixed-rate investment contract, the name of the issuer, the term of the contract, and the rate of return on the contract for the Plan, you should direct your request to: Director, Delphi Pension and Welfare Benefit Plans, Employee Benefits, Mail Code 480-410-104, 5825 Delphi Drive, Troy, Michigan 48098.

#### **Balancing Your Investment Choices**

Selecting your PSP investment choices means not only choosing the investment options, but also deciding what percentage of your account balance you want in each of the investment options you select.

Portfolio Rebalance is a tool within [www.delphi401k.com](http://www.delphi401k.com) that allows you to more easily rebalance the asset mix of your account in a single, simple transaction. When you select the Portfolio Rebalance option, you'll be taken to a menu of the investment choices available through the PSP, where you can choose what percentage of your account balance you'd like invested in each investment fund.

After making your investment elections, your current fund balances will be rebalanced according to your desired percentages. In other words, your fund balances *will automatically be exchanged into or out of the investments in the proportions you've elected.* This Portfolio Rebalance feature, however, does not provide on-going automatic rebalancing.

To access Portfolio Rebalance, go to [www.delphi401k.com](http://www.delphi401k.com) and click on the "Access my Account" tab, log on to your account and click on the "Accounts" tab. Then click on the "Rebalance" link on the left side of the screen.

Keep in mind that the Portfolio Rebalance feature does not affect your future contributions PSP account. New contributions made by you into your PSP account will continue to be invested based on your designated investment elections and such investment elections will remain in effect until you change them.

You still need to review your PSP account periodically because your investment choices may perform differently over time, and your percentages may vary from what you intended.

#### **REFERENCE TO FULL TEXT**

The foregoing statements are summaries of certain provisions of the Plan. They do not purport to be complete and are qualified in their entirety by reference to the "Complete Text" of the Plan (see "Documents Incorporated by Reference").

### **LEGAL OPINION**

The legality of the Delphi Common Stock offered by this Prospectus has been passed upon by Diane Kaye, Attorney, Legal Staff. Ms. Kaye owns shares of Delphi Common Stock and has options to purchase additional shares of Delphi Common Stock.

### **EXPERTS**

The consolidated financial statements and financial statement schedules included in the 2003 Annual Report on Form 10-K, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing therein, and have been so incorporated in reliance upon such reports given upon the authority of Deloitte & Touche LLP, *as experts in accounting and auditing.*

**NOTES**

6/25/07

**DELPHI**

Delphi Investment Service Center  
P.O. Box 5424  
Cincinnati, OH 45250-5424

PRESORTED  
STANDARD  
U.S. POSTAGE  
PAID  
FIDELITY  
INVESTMENTS  
45277

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DELPHI PSP PRO